

A nonprofit membership corporation which was formed to bring the members of a particular family into closer association through social and historical activities is exempt from Federal income tax under section 501(c)(7) of the Internal Revenue Code of 1954.

Advice has been requested whether the nonprofit membership corporation described below qualifies for exemption from Federal income tax under section 501(c)(7) of the Internal Revenue Code of 1954.

The nonprofit organization, which was incorporated under the membership corporation laws of its state, was formed to bring the members of a particular family into closer association through social activities revolving around matters of common historical and genealogical interest to the members as a group. Lineal descendants of a particular individual are eligible for membership. The organization's activities include collection and preservation of family records and similar memorabilia, social activities for its members, and distribution to members of a newsletter containing matters of family interest. The organization's funds are derived from membership fees, dues, and sales to members of monographs and insignia relating to the history of the family. No part of the net earnings of the organization inures to the benefit of any member.

Section 501(c)(7) of the Code provides for the exemption of clubs organized and operated exclusively for pleasure, recreation, and other nonprofitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder.

The purposes and activities of the organization are directed to promoting closer ties among the members of the family and providing opportunities for sociable commingling among them. These purposes and activities are similar to providing pleasure and recreation for the members of a social club. Therefore, the organization is exempt from Federal income tax under section 501(c)(7) of the Code.

An organization which considers itself within the scope of this Revenue Ruling must, in order to establish its exemption under section 501(c)(7) of the Code, file an application on Form 1025, Exemption Application, with the District Director of Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the Income Tax Regulations.